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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 7, 1950

SUBJECT: Developments Affecting the Chinese National Government

PARTICIPANTS: Dr. V. K. W. Koo, Ambassador of China
Mr. Dean Rusk - Assistant Secretary for Far Eastern Affairs
Mr. E. G. Mathews - Director, Office of South Asian Affairs

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In the course of a conversation on Chinese Nationalist troops in Burma, the Chinese Ambassador raised certain other questions with Mr. Rusk. He wished to know what information we had on Chinese Communist intentions with respect to Formosa and Hong Kong. Mr. Rusk replied that the Communists had made their intentions with respect to Formosa quite clear in public statements, but that beyond that we had very little information.

The Ambassador also inquired whether we were discussing with the UK the cessation of petroleum shipments to Communist China. Mr. Rusk said that we had been talking with the British, but the problem was complicated by the probability of retaliation against the personnel of the oil companies in Communist China should shipments be abruptly cut off.

The Ambassador also asked whether General MacArthur had arranged to send officers to Formosa to discuss the offer of Chinese Nationalist troops for service in Korea. Mr. Rusk replied that he had no information in that connection.

The Ambassador referred to reports that Chinese Communist troops were massing near the Korean border and inquired whether we had any confirmation of these reports. Mr. Rusk indicated that we had very little intelligence from the Chinese mainland, and commented that the Ambassador

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Ambassador's Government probably had better sources of intelligence than we. The Ambassador stated that he would continue to give us such information as came into his hands.

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